

Finance and People Committee Minutes

Meeting	Finance and People Committee	Date	Tuesday, 24 <sup>th</sup> June 2025
Location	Burgess Hodgson, Canterbury	Time	2:00pm
Membership	<i>Ollie Laughton (OL) - Chair; Graham Razej (GR); Paul Sayers (PS); Alison Gray (AG)</i>		
In Attendance	Tammy Mitchell, (CEO), Matthew Cooper, Chief Financial Officer (CFO), Lisa Hogan -Group Head of Financial Planning and Analysis (LH), Summer Macer (COO), Sharon Hollingsworth – Director of Governance (DG), Claire Edgeworth – Note Taker.		

*Italics denotes absence*

	ITEM	COMMENTS	ACTION
1	Welcome and Apologies	OL and GR sent their apologies. The new CFO and LH were welcomed to the meeting and introductions were made.	
2	Declarations of interest	There were no declarations other than those standing.	
3	Minutes of the meeting 25 March 2025	The minutes of the meeting held on the 25 March 2025 were agreed as an accurate record and will be signed after the meeting.	
4	Matters Arising not covered by this agenda	There were no matters arising not covered by this agenda.	
5	2025/26 Budget Strategy including review of Reserves	<u>Review of Reserves</u> The CEO shared the Trust Strategy and Reserves paper prior to the meeting. The CEO advised that the previous CFO had spoken about the Reserves Strategy and this now required reviewing. The new CFO and the CEO will meet to look at scoping.	

	<p>The CEO reported that every time a new school is added the 2% turnover figure is higher, so the Trust must save more money to the centre. The Trust does not have actual data from the new schools joining the Trust and when they join, the Trust must claw back in year to meet the Reserves Policy. This creates a problem when creating posts to the central team as it is not known if these posts can be afforded. The CEO and LH have met to undertake some early scoping, and LH was asked to look for some options so that the Trust can get to a fixed level of central reserves, as the Trust needs to sit between 5% and 8%. The scoping showed that if the Trust held £12m then this target would be achieved. There is a range of ways this could work, and the CEO will discuss with the CFO.</p> <p>OL had previously requested that the CEO relooked at the reserves due to the interest rates reducing again and how this would look with the current global challenges. OL suggested that money could be put into a higher interest account and if Trustees agreed, the CEO would investigate this further. Trustees felt this was a pragmatic approach. LH advised that the Trust does currently have some long term accounts, but it would be good to look at how much could be put into them. Trustees discussed aligning the policy with the strategy around investment in estates and any future development of the Trust. The Reserves Policy is not aligned to the Trust Policy. The Trust can for the first time this year look to buy back services from the Group.</p> <p>The individual school contributions are bringing in more than 4% and Trustees agreed this is a strategic goal and queried benchmarking against other Trusts and how they deal with this. The CEO advised that other Trusts GAG pool and do not let the schools have their own budget and hold back reserves. The Trustees acknowledged it was easier to do this but does not help leaders take responsibility for their expenditure. The CEO advised the Trust were in line with the national position which is 90%. The CEO acknowledged that the new CFO had a lot of work with the Group so would look to bring this back to the second meeting of the new academic year when they have had chance to discuss changing the Reserves Policy. This will need approving by April. DG to add this item to the January Finance and People Committee meeting.</p> <p><u>2025/26 Budget Strategy</u></p> <p>The CFO shared the 25/26 budget prior to the meeting.</p>	<p>DC</p>
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	<p>The CFO advised the Trust was in a good place.</p> <p>The key highlights are that Sheppey Secondary will have an additional year group, which will bring in additional money. Sheppey Secondary will draw down £570k less this year and they are in a good place. The CEO advised that the Trust has three years to spend the money, but they wanted to front load it, rather than rely on the money so that by year 3 it is aligned with the budget. Aylesham joined the Trust in February 2025 so for 25/26 there will be a full year budget. There were two new grants received to support 4% pay increase that came in this year and the National Insurance rise, however this does not cover all of the monetary rises. Trustees queried if this money was given and LH advised it was and will be wrapped up in the GAG. All the grants given are based on pupil numbers and not staff numbers and the CEO advised that schools with less deprivation came out better off. Some of the amounts will be accrued this year. The CFO advised that it is thought the DFE will give 3% for inflation.</p> <p><u>Pay</u></p> <p>The biggest cost for schools is pay and this is increasing from £18.5 to £21m next year. The primary components are again Aylesham as there will now be a full year of pay costs, teacher pay rises, increase in the National Minimum Wage and the National Insurance rise. There have been some new roles at Sheppey Secondary, one administrator, five Teachers, seven Teaching Assistants and 3 Support Staff. The CEO reminded Trustees that Sheppey Secondary is a break-even budget. They are adding another 150 children from September, so extra capacity is needed. The Trustees acknowledged the need for the extra staffing. The CEO felt Sheppey Secondary is broadly in line and can cover pay costs when the drawn down is finished. The CEO advised they are front loading resources.</p> <p><u>Non Pay</u></p> <p>The non-pay is going from £5.8m to £6.1 and this is again partly due to Aylesham having a full year budget and depreciation.</p> <p>Trustees commented that the grant per pupil was a good analysis and there was a massive differential. The CEO advised that the grant per pupil is based on the 'Income deprivation affecting children' index (IDACI) which is around postcodes and the general social economic in</p>	
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	<p>that area. Bysing Wood has more deprivation than Queenborough, but Queenborough receive more money as it is based in Sheppey. The CEO advised that if the Trust GAG pooled, it gets evened out, but this was a non-negotiable when they join the Trust. Discussion followed around GAG pooling.</p> <p>Trustees discussed the financial movement around Aylesham and their full year budget and oddities at Sheppey Secondary. The CEO advised that East Stour has moved in terms of predicted out turn for next year. The Headteacher wanted to set a deficit budget and after discussion, the CFO agreed. East Stour had to set their budget on facts but knew there would be a swing, and this has happened. The CEO was aware that East Stour had the money to manage themselves out if needed. Trustees queried if this was due to the constant mobility at East Stour and LH advised that at the time they did not know what their high funding would look like. The CEO outlined the position around SEN funding. All the schools are going into communities, and the 9 schools are in 8 communities so this will be interesting to see how successful schools will be in the different areas. Sheppey and Queenborough are in one community but everywhere else they are all separate with different chairs and different approaches. There will be a sliding scale and in 2026 it will be 50% given out and 50% held centrally and then will be 25% / 75%. All the schools have been asked to budget with caution. Trustees discussed the communities and the difference in the Chairs expertise. The LA have set out rules that the SENCOs should attend but the CEO has asked Headteachers to attend, and Trustees agreed with this. The CEO advised that it is rumoured that there is another Trust that have appointed someone at a high level to attend all the community school meetings and will be feeding back to their solicitors.</p> <p>Trustees discussed Bysing Wood and LH advised they are heading in the right direction. The CEO advised that the COO is working with leaders at Bysing Wood and the CEO will bring a paper to the Trust Board in July with a proposal for Bysing Wood to reduce to a one form entry. The growth predicated has not come and they have a lot of years with 40 children and have to take any new children coming into the area and are trying to staff one and a half classes. One form entry will mean they know what they are dealing with and will not be instructed to take all high needs children.</p>	
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	<p>The CFO raised a query regarding a negative contribution and LH advised this was due to the Aylesham roll over. The CFO will investigate this further. The Trustees agreed it is the earnings before interest, taxes, depreciation, and amortization (EBITDA) that Trustees are interested in. Trustees discussed that moving forward there will be a capital budget. The Trust has landlord responsibilities on the buildings which have a 125-year lease but are unable to do anything with them.</p> <p>LH advised the Trust are in a better position than they had been previously and everything has been covered. The CEO and LH have been through all the budgets and the CEO advised that it is a cautionary budget, but there are a couple where they should receive more funding. Trustees acknowledged that there will be in-year variables, and the CEO advised that the Trust has learnt from new schools joining the Trust and there are better systems in place.</p> <p>Subject to any views from OL, the Trustees were happy to recommend the budget 25/26.</p> <p><b>RECOMMEND – 2025/26 Budget to Trust Board subject to any queries from OL.</b></p>	CFO
<p>6 Management Accounts May 2025</p>	<p>The CFO advised that year to date the budget is up by £50m but this is mainly bringing in land and buildings for Sheppey Secondary and Aylesham. The income is up by £1.2m but is offset by costs. Pay awards income and alternative provision have been received but are not in the budget.</p> <p>Pay is over budget by £1½m which is mainly unbudgeted pay rises, minimum wage and National Insurance, but some of this was covered by the grant. The rest is around staff movement. LH advised that the original budget that was set for Aylesham was theoretical, and Sheppey has moved significantly, and these are the big swings other than cost increases.</p> <p>There is an underspend in non-pay on utility costs but is covered by catering. The Trust have signed up to DfE Energy and Sheppey Secondary are currently onboarding and the primary schools are joining the DfE contract. There is some protection with the DfE. Water has gone up 26% and this has been accounted for in next year's budget. LH advised that the Group are</p>	

	<p>undertaking some work around the water bills and LH will look at this. The COO will keep an eye on the DFE procurement portal.</p> <p>Catering was brought in house at Sheppey Secondary and Trustees asked for an update. The COO advised it was well received by students and there is heavy fallout, and they are going to expand the offer. The Trust will continue to review existing funding for Free School Meals (FSM) and keep under review. The CEO advised that staff appreciate being part of a team and witnessed a positive interaction between the Head Cook and some students. Sheppey Secondary has 53% FSM, and the Trust is spending more than income but all students are being fed. The COO is aware that at some schools FSM children have a separate counter to get their food, and it was felt that Sheppey Secondary is being inclusive and there is no difference in food options. The CEO advised that there is another significant percentage that are near to receiving FSM and the Trust want to make sure they can support all the cohorts. The CEO advised there is a new funding arrangement for families on Universal Credit, and this will impact a lot of families, so she is waiting to see if FSM changes. Trustees queried if this had had an impact on attendance and the CEO advised she was unaware, but more children were coming into school. Attendance has risen to 89% this year but want to get it to 90%. This is a huge shift, but it is due to a variety of reasons. The CEO advised that previously students did not come into school for free breakfast, but it is nearly full now.</p> <p><u>Forecast vs Budget</u></p> <p>The CFO advised income is up by £1.7m overall but some is offset due to pay, Sheppey draw down, National Insurance rise and higher needs funding but this data was not available when setting the budget. The CEO advised that schools do not always know what the cohort will be when setting the budget and all the schools are up, but they are airing on the side of caution.</p> <p>Pay is over but £1½m is pay rises, National Insurance, Minimum Wage, new staff for Sheppey and £74k for catering insourcing and staff movement.</p> <p>Non pay there is £200k for repairs and maintenance and £160k for alternative provision and smaller equipment.</p>	
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		NOTED – Management Accounts May 2025	
7	Academies Financial Handbook update	The Academy Trust Handbook 2025 has not yet been published. This will be put back on the agenda when updates are received.	DC
8	Trust People Strategy update	<p>The COO shared a paper giving updates on the People Strategy.</p> <p><u>Develop effective, consistent and impactful induction approaches in all Trust Academies.</u></p> <p>There has been positive feedback with stakeholders and has launched the Trust Handbook and Terms of Reference for staff which serves as a high-level guide which compliments school-based inductions. The Careers Guide will be brought together in September and captures what career paths are available. In terms of development, the Trust is in a privileged position and are spending the apprenticeship levy and bringing in new talent.</p> <p><u>Develop a strategy to encourage positive male role models to apply for positions in our teaching and support roles.</u></p> <p>The Manpower Project is ongoing, and gender pay gap forms part of that response, and the Careers Guide is part of that work.</p> <p><u>Review and evaluate the DfE's flexible working guidance in order to strengthen the Trust's approach.</u></p> <p>The COO is keeping up to date with guidance around flexible working coming out from the DfE. There has been a positive conversation with JCC looking at phasing the next stage.</p> <p><u>Implement the Trust's Leadership Programme.</u></p> <p>The Trust has established a comprehensive leadership programme. Leaders of People has been successfully delivered through 24/25 and in 2025/26 the focus will be on Leading Education and Operations.</p> <p><u>Enhance the value of the Excellent Teacher Programme and its impact on teaching and staff development.</u></p>	

	<p>The Excellent Teacher Programme has been embedded and there are approximately 12 onboard and will look at onboarding more for years 3 and 4, but some Excellent Teachers are moving year groups.</p> <p><u>Establish comprehensive succession plans for all leadership roles across the Trust</u></p> <p>Succession plans are in place and the COO is looking at how this can be built on and this will come out in the Autumn term for the year 2 strategy.</p> <p>Trustees felt the Leadership Programme is excellent. AG undertook a school visit to Holywell, and they were very positive about the Leadership Programme.</p> <p>The COO advised that the CEO and COO undertake a Support Staff Roadshow three times a year and CPD and professional development are standing items. The CEO advised it was very impactful. The CEO felt it would be interesting for Trustees to talk to Sheppey Secondary staff as they had previously not had any investment in them, and now from feedback, they fight over attending CPD. AG advised that she has had feedback from other schools where staff have advised they would not want to work anywhere else.</p> <p>Trustees queried if there was any joint working between the Group and the Trust around the Employment Rights Bill. The COO advised she has made contact, but this is a watching brief as there are still a lot of unanswered questions and queries.</p> <p><b>NOTED – Trust People Strategy Update</b></p>	
<p>9 Staff Well-being update</p>	<p>The COO shared a Staff Professional Welfare paper prior to the meeting which highlighted the way the Trust supports staff. The Leadership programme helps leaders support their team effectively so that they are better equipped. The staff surveys consistently have positive results.</p> <p>The Staff handbook was discussed in item 8.</p> <p>The Staff Voice Forums creates opportunities for staff to raise any queries, questions and issues. This is also around the Trust helping staff be ready for what is coming next and why the Trust is</p>	

		<p>doing what it is doing, so they are better able to respond positively. This appears to be something that the staff value and is an investment in them.</p> <p>Trustees queried if the Stress Risk Assessment was formulated inhouse and the COO advised it was. The CEO discussed with Trustees that they are trying to stop using the word 'wellbeing' and call it 'professional welfare', which is around their welfare whilst they are at work in terms of safe relationships, being safe at work and workload. This helps leaders to support staff with stress whilst they are in work. Trustees agreed with the approach and felt there was a balance to get colleagues to take responsibility for their own wellbeing. The COO advised that she believes from the leadership survey that staff are aware of the value that the Trust place on them and is a positive place to work and an employer of choice. The Trust are open and transparent and there are mechanisms in place. The COO advised that leaders are not worried about having early conversations that help staff get back on track. The CEO advised that the only staff concerns raised this year were around how they were treated or their wellbeing, but these were from staff who were on a process at that time. The level of challenge had become an added stress that then becomes an issue.</p> <p>The survey results will form part of the CEO Report for the Trust Board.</p> <p><b>NOTED: Staff Well-being update</b></p>	
10	Matters considered confidential	There were no matters considered confidential.	
11	Any other business	There was no further business.	
12	Date and time of the next meeting	Tuesday, 25 <sup>th</sup> November 2025 at 1.30 p.m.	

There being no further business the meeting closed at 3.45 p.m.



Signed: ..... *Chauhan* .....

Print: *Oliver Lawrence* .....

Date: *25/11/25* .....